Threat of Strike by Bank Unions

1418. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE he pleased to state:

(a) whether several bank unions have rejected the Narasimham Committee report on bank reforms and threatened to go on strike if Government try to implement it;

(b) if so, the details of the recommendations made in the Narasimham Committee report; and

(c) the reaction of Government on the recommendations of the report and also on the threat made by various banks unions?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Some representations in this regard have been received.

(b) and (c) The Committee on Banking Sector Reforms under the Chairmanship of Shri M. Narasimham has made several recommendations in regard to banking policy, restructuring, regulatory and supervisory issues, strengthening of institutions and upgradation of technology. The major recommendations relate to bringing about futher refinements and improvements in prudential norms, greater disclosure requirments to ensure more transparency, rationalising systems and methods in banks, changes in the structure of banks and development financial institutions, strengthening delivery of rural and small industrial credit system, as also strengthening regulation and supervision system and legal and legislative framework. On the issue of restructuring of the banks the Committee has recommended mergers between banks and between banks and Development Financial Institutions based on synergies and lcoational and business specific complimcn-taries and on commercial considerations. According to the Committee, the initiatives fur such mergers between public sector hanks must emanate from the managements of the concerned banks and the mergers should not be imposed. The various recommendations by the Committee would constitute a valuable input into the on-going exercise by Government and Reserve Bank of India for reform of the Banking Sector. Government are hopeful that the on-going effort of reform of the banking sector in the interest of customers and all other stakeholders would receive the support of all representative unions and associations.

Frauds in Allahabad Bank

1419. SHRI GAYA SINGH:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received complaints of serious frauds in Allahabad Bank;

(h) if so, the number of such frauds detected during the year 1997 and 1998 so far and the amount of money involved in these frauds; and

(c) what action has been taken against the officials held responsible for such frauds?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) to (c) Complaints regarding frauds and malpractices in public sector banks including Allahabad Bank have been received in the Government from time to time. Allahabad Bank has reported that during the year 1997 and 1998 (upto 31.5.1998), 81 frauds involving an amount of Rs. 1.54 crores were detected. Three of these cases have been handed over to CBI. Twenty-two officials were placed under suspension immediately after the detection of frauds. Two officials have so far been dismissed after completion of departmental proceedings.